DEPARTMENT OF INSURANCE

Legal Division, Rate Enforcement Bureau 45 Fremont Street, 21st Floor





RH05042749 April 19, 2006

REGARDING PROPOSED REGULATION CHANGES **Prior Approval of Insurance Rates**

Pursuant to California Government Code Section 11346.45, on June 2, 2005, and October 17, 2005, the California Department of Insurance ("Department") issued notices scheduling workshops regarding changes to the Department's existing prior approval regulations. The workshops took place on June 24, 2005, and November 7, 2005, in San Francisco, California.

The Department originally proposed amending the prior approval regulations in a multi-phase process, but received comments suggesting that all changes should be made in one rulemaking proceeding. The Department agreed and has scheduled a third workshop as follows:

> Wednesday, May 3, 2006 -- 10:00 a.m. California Department of Insurance 45 Fremont Street, 22nd Floor Hearing Room San Francisco, CA 94105

A copy of the proposed language is attached. Proposed additions to the existing regulations are indicated in underline; proposed deletions are indicated in strikethrough.

The deadline for receipt of written comments is 5:00 p.m. on May 3, 2006, but the Department encourages submission of written comments in advance of the workshop. All comments submitted shall also be served by e-mail to all those on the e-mail service list for this proceeding.

Following this workshop the Department anticipates beginning the formal regulation adoption process in accordance with the provisions of the California Government Code.

Any questions regarding this Notice should be directed to:

Bruce V. Patton. Senior Staff Counsel California Department of Insurance Rate Enforcement Bureau 300 Capitol Mall, Suite 1700 Sacramento, CA 95814 Telephone: (916) 492-3560

Facsimile: (916) 324-1883 Pattonb@insurance.ca.gov

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All written comments shall be directed to Cathleen Chapman at the address indicated above.

Consumer Hotline (800) 927-HELP • Producer Licensing (800) 967-9331

¹ Two alternatives of the proposed text, containing different leverage proposals, are attached. The changes in alternative 2 from alternative 1 are indicated in yellow highlight.